

ITEL
Pullman
March 30, 1989

IteI Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000
(415) 781-1035 Fax

RECORDATION NO

FILED 1425

APR 5 1989 -2 10 PM

INTERSTATE COMMERCE COMMISSION

Date

Fee

ICC Washington, D. C.

Hon. Noretta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Schedule No. 2 to Master Lease Agreement dated June 9, 1988, between IteI Railcar Corporation and Illinois Central Gulf Railroad

Dear Ms. McGee:

On behalf of IteI Rail Corporation, the above instrument, in three (3) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record this Master Lease Agreement under a new recordation number.

The parties to the aforementioned instrument are listed below:

IteI Railcar Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

Illinois Central Gulf Railroad (Lessee)
Two Illinois Center
233 North Michigan Avenue
Chicago, Illinois 60601-5799

This Schedule adds to the Master Lease fifty (50) 52'6", 100-ton, Plate B GBS gondolas bearing reporting marks ICG 245800-245849.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

Patricia Schumacker

Patricia Schumacker
Legal Department

APR 5 1989 -2 10 PM

LOT NO. 2204-02

INTERSTATE COMMERCE COMMISSION

SCHEDULE NO. 2 TO MASTER LEASE NO. 2204-00

THIS SCHEDULE NO. 2 ("Schedule") to that certain Lease Agreement, (the "Agreement") made as of NOV. 30, 1988 between ITEL RAILCAR CORPORATION, as lessor ("Lessor"), and ILLINOIS CENTRAL RAILROAD COMPANY, as lessee ("Lessee"), is made this 21st day of DECEMBER, 1988, between Lessor and Lessee.

Lessor and Lessee agree as follows:

1. All terms defined in the Agreement shall have the meanings defined therein when used in Schedule No. 2. "Cars" when used in this Schedule, shall mean only the Cars described in this Schedule.
2. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Schedule:

AAR Mech. Design.	Description	Reporting Marks and Numbers	Length	Dimensions Inside Width	Height	Door Width	Number of Cars
GBS	100-ton, Plate B Gondolas	ICG 245800- 245849	52'6"	9'6"	4'6"	--	50

These Cars shall be remarked from the gondolas which currently bear reporting marks from within the series FRDN 41050-41209 (non-sequential) ("FRDN Cars") and which are subject to an assignment agreement dated May 26, 1987, between Lessee as assignee and Ferdinand Railroad Company as assignor ("FRDN Assignment"). The fifty (50) FRDN Cars that are to be remarked to the Cars shall be identified by Lessee in an Exhibit A to be attached hereto.

3. Effective as of June 1, 1988, (the "Commencement Date"), the terms of this Schedule shall supersede the FRDN Assignment with respect to the FRDN Cars listed on Exhibit A. Such terms shall continue to apply for three (3) years from such Commencement Date (the "Term") and shall apply even after the Cars have been remarked to Lessee's reporting marks.
4. Lessor shall remark each Car at Lessor's expense.
5. Lessee shall register each Car in UMLER showing "USLX" in the Owner's Field and shall take whatever action is necessary to facilitate Lessor's, or Lessor's agent's, access to any required information concerning any Car.
6. Lessor shall perform or cause to be performed and pay for all costs and expenses associated with the maintenance of the Cars described in this Schedule, except as set forth in Section 5.B. of the Agreement. Items (ii) and (iii) in Subsection 5.B. of the Agreement shall not apply with respect to the Cars. Lessee may make running repairs to those parts of

the Cars specified in Exhibit B attached hereto. Lessee shall cooperate with Lessor to identify and correct improper loading practices which result in damages to the Cars.

7. Lessee assumes responsibility for and agrees to pay, to hold Lessor and its successors harmless from and to indemnify Lessor and its successors for all taxes, fees, levies, imposts, duties or withholdings of any nature together with penalties, fines or interest thereon imposed, incurred by or assessed against: (i) the Cars, (ii) the lease, sublease or delivery of the Cars, (iii) revenues earned by the Cars, including but not limited to mileage charges and/or car hire revenues, during the Term of the Agreement, except taxes on income imposed on Lessor, ~~while Cars are on Lessee's lines.~~ Lessee will comply with all state and local laws requiring filing of ad valorem tax returns associated with the Cars.

8. A.

full calendar month ("Month") during the Term. The Fixed Rent for any Car which is not subject to the Agreement for an entire Month

- B. While the Cars on Exhibit A bear FRDN reporting marks, rental payments shall be handled as follows: For the first three (3) Months of the Term (during which Lessor shall be receiving revenues from the Cars that were earned for the last three months of the FRDN Assignment), Lessor shall invoice Lessee and Lessee shall pay Lessor the Fixed Rent on all the Cars. Commencing on the fourth (4th) Month of the Term, when revenues for the first Month of the Term shall have been received and while Lessor is performing car hire accounting for the FRDN Cars, and for each subsequent Month until all the FRDN Cars are remarked, Lessor shall credit each Month all revenues received on any FRDN Car on Exhibit A still awaiting remarking toward the Fixed Rent for such FRDN Car, and shall either invoice Lessee for any shortfall or credit Lessee for all revenues in excess of the Fixed Rent. The Fixed Rent shall not apply to any FRDN Car while said FRDN Car is in shop for remarking. For each FRDN Car on Exhibit A that has been remarked, Lessee shall pay Lessor the Fixed Rent each Month on the first day of such Month. All taxes reimbursable to Lessor pursuant to the Agreement shall be deemed and paid as additional rent hereunder.

- C. For any Car undergoing repairs for which Lessor is responsible (subject to the provisions of Subsection 5.B. and 5.C. of the Agreement), the Fixed Rent shall abate commencing from the fifth (5th) day after such Car is placed into a repair facility through the day such Car is delivered to Lessee or otherwise returned to service. The Term may, at Lessor's option, be extended for a period of time to be determined by dividing the aggregate number of days the Fixed Rent for the Cars subject to this Schedule was abated by the number of Cars subject to this Schedule on the date such calculation takes place.

9. A. Upon the expiration of the Agreement with respect to the Cars in this Schedule, Lessee shall promptly return such Cars to Lessor pursuant to Section 11 of the Agreement and as follows:

(i) If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to Lessee's railroad tracks subsequent to the time of expiration. Lessee shall, at Lessor's option, provide, with respect to any Car described in this Schedule which is either on Lessee's railroad tracks at the time of expiration or is subsequently returned to Lessee's railroad tracks, up to ninety (90) days free storage for such Car on its railroad tracks from either the date of expiration or the date such Car is returned to Lessee's railroad subsequent to the time of expiration, whichever is later.

Upon mutual agreement,

(ii) ~~At the option of Lessor,~~ either Lessee or a contractor mutually chosen by Lessor and Lessee shall, at Lessor's expense, remark the Cars as set forth in Subsection 9.C. of this Schedule. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After remarking, Lessee shall, if Lessor so requests, use its best efforts to load the Cars with freight and deliver them to a connecting carrier for shipment. Lessee shall be entitled to per diem and mileage relief on each remarked Car that remains on Lessee's line awaiting to be returned ~~loaded~~ until the earlier of (a) the time that such Car is interchanged ~~loaded~~ off Lessee's line, or (b) the time that such Car is released empty back onto Lessee's line by an on-line shipper.

(iii) If some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, the cost of assembling, delivering, storing, and transporting each such Car to such location shall be borne by Lessor. Lessor shall bear the expense of remarking such Cars.

B. Upon the early termination of the Agreement with respect to the Cars in this Schedule, Lessee shall promptly return such Cars to Lessor pursuant to Section 11 of the Agreement and as follows:

(i) If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to Lessee's railroad tracks subsequent to the time of expiration. Lessee shall, at Lessor's option, provide, with respect to any Car described in this Schedule which is either on Lessee's railroad tracks at the time of expiration or is subsequently returned to Lessee's railroad tracks, up to ninety (90) days free storage for such Car on its railroad tracks from either the date of expiration or the date such Car is returned to

Lessee's railroad subsequent to the time of expiration, whichever is later.

Upon mutual agreement,

- JB
- DA
- (ii) ~~At the option of Lessor,~~ either Lessee or a contractor mutually chosen by Lessor and Lessee shall, at Lessor's expense, remark the Cars as set forth in Subsection 9.C. of this Schedule. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After remarking, Lessee shall, if Lessor so requests, use its best efforts to load the Cars with freight and deliver them to a connecting carrier for shipment. Lessee shall be entitled to per diem and mileage relief on each remarked Car that remains on Lessee's line awaiting to be returned ~~loaded~~ until the earlier of (a) the time that such Car is interchanged, ~~loaded~~ off Lessee's line, or (b) the time that such Car is released empty back onto Lessee's line by an on-line shipper.

, upon mutual agreement,

- JB
- DA
- (iii) If some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, the cost of assembling, delivering, storing, and transporting each such Car to such location shall be borne by Lessee. Lessee shall bear the expense of remarking such Cars.

- C. Remarking, with respect to each Car, shall include the following:
a) removal of existing mandatory markings and all company logos of Lessee; b) complete cleaning of the area where new marks are to be placed as designated by Lessor; c) application of new mandatory markings; and d) any transportation involved in moving each Car to and from a suitable work area to perform the remarking set forth in this Section.

10. This Schedule No. 2 may be executed by the parties in any number of counterparts and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAILCAR CORPORATION

ILLINOIS CENTRAL RAILROAD COMPANY

BY: DA

BY: JB

TITLE: President

TITLE: VP - Transp.

DATE: 1/16/89

DATE: 12-27-88

EXHIBIT A

ITEL RAILCAR CORPORATION ("Lessor") and ILLINOIS CENTRAL RAILROAD COMPANY ("Lessee") agree that the following gondolas shall become subject to Schedule No. 2 dated DEC. 21, 1988 to the Lease Agreement dated NOV. 30, 1988, between Lessor and Lessee on the Commencement Date of such Schedule.

<u>FRDN</u> <u>REPORTING MARKS</u>			<u>ICG</u> <u>REPORTING MARKS</u>			<u>FRDN</u> <u>REPORTING MARKS</u>			<u>ICG</u> <u>REPORTING MARKS</u>		
1.	FRDN	41065	ICG			26.	FRDN	41154	ICG		
2.	FRDN	41070	ICG			27.	FRDN	41157	ICG		
3.	FRDN	41101	ICG			28.	FRDN	41161	ICG		
4.	FRDN	41102	ICG			29.	FRDN	41162	ICG		
5.	FRDN	41109	ICG			30.	FRDN	41166	ICG		
6.	FRDN	41106	ICG			31.	FRDN	41167	ICG		
7.	FRDN	41114	ICG			32.	FRDN	41171	ICG		
8.	FRDN	41115	ICG			33.	FRDN	41176	ICG		
9.	FRDN	41118	ICG			34.	FRDN	41177	ICG		
10.	FRDN	41119	ICG			35.	FRDN	41178	ICG		
11.	FRDN	41122	ICG			36.	FRDN	41179	ICG		
12.	FRDN	41123	ICG			37.	FRDN	41185	ICG		
13.	FRDN	41126	ICG			38.	FRDN	41187	ICG		
14.	FRDN	41127	ICG			39.	FRDN	41191	ICG		
15.	FRDN	41128	ICG			40.	FRDN	41193	ICG		
16.	FRDN	41131	ICG			41.	FRDN	41196	ICG		
17.	FRDN	41134	ICG			42.	FRDN	41201	ICG		
18.	FRDN	41139	ICG			43.	FRDN	41202	ICG		
19.	FRDN	41141	ICG			44.	FRDN	41203	ICG		
20.	FRDN	41144	ICG			45.	FRDN	41204	ICG		
21.	FRDN	41145	ICG			46.	FRDN	41205	ICG		
22.	FRDN	41146	ICG			47.	FRDN	41206	ICG		
23.	FRDN	41149	ICG			48.	FRDN	41207	ICG		
24.	FRDN	41152	ICG			49.	FRDN	41208	ICG		
25.	FRDN	41153	ICG			50.	FRDN	41209	ICG		

ITEL RAILCAR CORPORATION

By: [Signature]
 Title: President
 Date: January 16, 1989

ILLINOIS CENTRAL RAILROAD COMPANY

By: [Signature]
 Title: VP - Trans.
 Date: 12-27-88

EXHIBIT B
Gondolas

Running Repairs

Angle Cocks

Air Hose

Train Line

Operating Levers and Brackets Slack Adjuster

Sill Steps

Grab Irons

Brake Shoes

Brake Shoe Keys

Brake Connecting Pin

Brake Head Wear Plates

Air Brakes

Hand Brakes

Brake Beams

Truck Springs

Running Repairs Continued

Wheels

Yokes

Knuckles/Pins

Couplers

Draft Gears

Coupler Carriers

Center Plates (Not Replacement)

Cotter Keys

Roller Bearing Adapters

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 16th day of January, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of ITEL Railcar Corporation, that the foregoing Schedule No. 2 signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Sharon L. Van Fossan
Notary Public



STATE OF Illinois)
) ss:
COUNTY OF Cook)

On this 27th day of December, 1988, before me personally appeared H. B. Bergsmiller, to me personally known, who being by me duly sworn says that such person is Vice President-Transportation of Illinois Central Railroad Company, that the foregoing Schedule No. 2 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Elizabeth A. Simnick
Notary Public

